BUSINESS RESOURCE CENTRE

MG-857

Starting a Convenience Food Store

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Manitoba
Industry, Trade
and Tourism

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TABLE OF CONTENTS

Introduction 1

Legal considerations 3

Location 4

Demographic data 5

Competition 5

Pedestrian and automobile traffic 5

Site location 6

Advertising and promotion 6

Personnel 7

Franchising 7

Security 9

Layout 10

Inventory selection 11

Inventory control 12

Financial planning 13

Financial records 14

Pricing 15

Summary 16

Appendix A: Retail Trade Percentage Variations 18

Appendix B: Family Expenditures by City 19

Appendix C: Selling Area by Kind of Business and Region 20

Appendix D: Trade Journals, Associations and Food Brokers 21

Appendix E: Selected Operating Ratios in Percent of Sales 24

Appendix F: i) Canadian Imports By Commodity Category 28
ii) Canadian Food Store Sales 29
iii) Market Analysis 30
iv) Ten-Year Food Store Sales 31

INTRODUCTION

Despite the fact that a large percentage of total grocery sales are made by supermarkets, over the past few years more and more convenience stores have emerged and flourished. The convenience store business will continue to be one of the fastest growing areas of Canada's grocery retailing business for years to come.

A delayed response to the drought in 1988 will result in price increases between 4-6% in 1989 according to the Canadian Council of Grocery Distributors. Meat and produce will experience the highest increases. In 1988 the annual price increase for food was 2.1%, the lowest in 12 years. The CCGD predicts price increases in 1989 for all three of the major meat commodities.

Total dollar sales through food stores in Canada in 1988 increased 5.2% over the previous year. Taking into account food store price inflation of about 4% during the year, this means Canada's supermarkets, grocery stores and convenience stores made real gains of 1.2% in 1988.

That's not much better than the population growth rate nationally.

The 5.2% total increase estimate is based on nine-month data and could change slightly. Canadian Grocer through its Maclean Hunter Reserch Bureau is predicting more of the same for 1989/90.

Independents have taken a slight-piece of market share away from chains. Independents now have 44.3% of the national market share continuing the steady increase they have enjoyed since 1979.

There are approximately 3,000 convenience food stores in Canada. Approximately 42 of these stores are listed in the Winnipeg yellow pages under "Grocers", 360 "Retail Grocery", 28 "Retail Wholesalers", 47 "Food Brokers", and 9 "Bulk Food Outlets".

The major selling feature of the convenience store is convenience in many forms: friendly service, local neighbourhood locations, a variety of merchandise in limited quantities, adequate parking space, quick check out time, and long hours.

Although there is no established formula for success, a good deal of time and effort is always required. Before deciding whether to open a small business, you must determine if you have what it takes.

Ask yourself the following questions to see if you have the basic requirements for starting your own business:

1. Are you afraid of risk?
2. Are you unable to put off enjoying the "good life" today because you are afraid you won't be here tomorrow?
3. Are you overly security conscious?
4. Do you have trouble getting along with people?
5. Do you lose interest in things that don't work out as quickly or as well as you thought they would?
6. Are you a thinker but not a doer?
7. Are you a doer but not a thinker?
8. Are you easily frustrated?
9. Do you have trouble coping in situations that require quick judgements?
10. Do you "cave in" under stress?
11. Does your family make heavy demands on your time?
12. Are you emotionally unstable?
13. Are you unable to learn from your mistakes?
14. Are you "too good" to do manual labour?

If you answered "yes" to several of these questions, you are probably not ready to start your own business. In any case this sort of thinking is very important in deciding whether you have what it takes to be your own boss.

In this handbook we have identified some of the key areas that management must concentrate on prior to opening up the business. Your ability to properly work through and develop these areas will directly affect the future success of your operation.

Business Resource Centre has prepared a number of handbooks in its Small Business Management series which should be read in conjunction with this publication. Included are "Retail Business Plan", "Small Business Finance Plan", and "Marketing". They are available at the Business Resource Centre.

LEGAL CONSIDERATIONS

In starting a convenience food store, thought must be given to the business structure your operation will assume. The more common alternatives include sole proprietorship, partnership and incorporation. Each of these business structures has its own distinct advantages and disadvantages.

	Advantages	Disadvantages
sole proprietorship	- simplicity in starting business - ownership of all profits - being own boss - no tax on profits of the business as separate entity, only on owners	- unlimited financial liability - difficulty in raising funds for expansion - no sharing of the burden of - impermanence of the business
partnership	- simplicity in starting business - pooling of funds and talents - no tax on profits of business as separate entity, only on owner's personal income - more opportunity for specialization	- unlimited or joint liability - potential for personal disagreements among partners - impermanence of the firm - freezing of each partners' investment in the business
incorporation	- existence as a separate entity - limited financial liability of owners - easy transfer of ownership - greater financial capabilities	- special and double taxation - complicated and costly to form - considerable government regulations and reporting requirements - lack of secrecy in operations

As a retailer, you will be required to register your business name, obtain a provincial sales tax number, an employer number and register with the Workers' Compensation Board. You must comply with all tax regulations and employer regulations. Business Resource Centre has produced a handbook "Starting a Small Business in Manitoba", which summarizes many of your responsibilities in areas such as licensing, permits, taxes, etc.

It is also essential that you determine your insurance needs prior to starting your business venture. The main types of insurance to consider are:

General Insurance - most often this type of coverage includes insurance on the assets of the business, liability insurance on premises and vehicles, fire insurance, crime and vandalism and business interruption insurance.

Life Insurance - usually this coverage is placed on the lives of the owners (often partners will purchase life insurance on each other's life in order to insure the continued survival of business).

Workers' Compensation - this is required by Manitoba law for reimbursing employees injured on the job for any loss of wages suffered as a result of an injury.

Information and advice concerning these legal matters can be obtained by contacting your local insurance agent and the Workers' Compensation Board of Manitoba 1-800-362-3340.

LOCATION

One of the most important decisions you must make is where to locate your store. The location can be the critical factor in determining the ultimate success or failure of the operation. In assessing any location carefully study the surrounding area, including prospective competition. Since you are marketing convenience, location and accessibility are of crucial importance.

Demographic Data

Many of your customers will come from within a one mile radius of the store. It has been found that if customers have to travel further than one mile to a store, they will go to a supermarket and make the excursion a major shopping trip. *Between 500 and 1,000 individuals must live within the one mile radius to sustain the operation.[1] You should also consider future development plans for the area. Most local governments can provide information on projected growth rates for different areas and proposed and existing zoning by-laws.

Competition

Since the convenience store is essentially selling convenience its competition is not from supermarkets but from other convenience stores. All offer similar services based on the factors enumerated earlier. Your concern is whether or not the area under consideration can absorb another outlet. In an area where there is a heavy density of population and a high volume of vehicular traffic, such as along Henderson Highway or Pembina Highway in Winnipeg, it is possible for convenience stores to profitably exist within a few blocks of one another. Investigate all possible competitors, and the convenience features (hours, parking) they offer. In some cases, supermarkets are broaching on convenience stores' territory by moving to longer hours and more diverse product lines.

Pedestrian and Automobile Traffic

The density of traffic passing a proposed site, both pedestrian and vehicular, is another factor in determining the potential sales for the location. You may thus wish to monitor the traffic passing by a location at various times during the day. Remember that people will not go out of their way to shop at a convenience store. A good deal of your business will be of the impulse variety, making it essential to have high volumes of driveby traffic.

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1. Source: Grocery Trade Assocation

Seasonal fluctuations in traffic patterns and the surrounding population should also be assessed. For example, a location in a resort area may offer an excellent population base and traffic density during the summer months. However, the sales generated during that time must support you during the slow winter period. A careful forecast of the potential sales by month is required to determine if that is possible. It may be possible to keep the operation open during the off season. For example, you may be able to encourage development of cross country ski trails in the area and thereby increase winter traffic.

Site Location

Free standing stores can be successful, but other traffic generators within the immediate area can increase the probability of success. Traffic generators, besides other businesses, include schools, businesses, parks and sporting facilities. Convenience stores are often located in small "strip" malls, along with barber shops, beauty salons, restaurants, drug stores and banks. The cluster of stores acts as a "traffic pull", to their mutual benefit.

ADVERTISING AND PROMOTION

Approximately 1% of your annual gross sales should be spent on advertising and promotion. That advertising should be directed to your target market, the residents of the nearby area, and the message should stress convenience. There are a number of advertising methods that might be used, including direct mail, newspapers, and in-store promotions.

Direct mail allows the advertiser to reach a specific market area. Flyers can be mailed or delivered to homes in the area surrounding your store. It is important to stress the convenience aspects offered: the ease of parking, assessibility, quick service, and long hours.

Newspapers might also be used for advertising. The cost of advertising in widely distributed newspapers, such as the Winnipeg Free Press, may be prohibitive. The message would reach many people who are not potential customers for your store. You might be better advised to advertise in smaller, less widely circulated community newspapers.

Just as the cost of advertising in daily newspapers may be beyond your means, so too will the cost of advertising on radio or television. Those media are also quite inefficient for your purposes, as the message reaches many who are not a part of your target market. You should perhaps avoid radio and television, unless your store is located in a small town which has its own radio station. In that case, the message may reach only members of your target market, and it would be economical for you to advertise on radio.

A more effective means of selling the average convenience store and its services is sales promotion. Sales promotion would include window displays, signs, banners, as well as in-store displays. It is extremely important for the store to be well marked, with a sign where passersby will see it. Remember that you depend to some extent on drive-by traffic, traffic which may not be aware of your particular store. Inside the store, point of purchase displays can be used to increase the incidence of impulse buying. Suppliers can provide such display units.

PERSONNEL

It will be difficult to operate the store without hiring additional personnel, unless you have a large family. Try to hire only on a referral basis, and carefully screen all prospective employees. When an applicant is hired, be sure to familiarize him/her with all their duties and aspects of the work. Before they are left on their own to mind the store, they must be well acquainted with all aspects of its operation.

FRANCHISING

An increasing number of convenience food stores are franchise operations. There are advantages to obtaining a franchise as opposed to starting an independent outlet. Perhaps the most well-known franchise operation is 7-11, with over *7,000 outlets in the U.S., Canada, Mexico, Japan and the U.K.

The franchise offers an established image and formula, and thereby improves the chances of initial success. Assistance is offered in choosing a site, financing the building, training, accounting, inventory control and general

store management. The franchisee is less apt to make costly errors as they follow the franchise's established operating formula. Unfortunately, he/she can find that same formula somewhat restricting as the business begins to develop. For example, the franchisee may not be able to expand his/her business by opening another outlet, as they would were they an independent businessperson. As well, they may not be allowed to purchase merchandise from other than certain designated suppliers, even though they could obtain a better deal elsewhere.

The franchise of course pays for the franchise. The purchase price is probably in the *$30,000 range, and it is important to identify exactly what is received for that $30,000 price. It is necessary to thoroughly examine the franchise agreement to identify other costs for which the franchisee is liable. There are a number of other points to consider or watch for in the agreement:

1. What are the required franchisor fees: initial fee, advertising appropriations, and royalties?

2. What degree of technical knowledge is required of the franchise?

3. What is the required investment in time by the franchise? Does the franchisee have to be actively involved in the day-to-day operations of the franchise?

4. What is the extent of control of a franchise by a franchisor in terms of materials purchased, sales quotas, space requirements, pricing, the range of goods to be sold, required inventory levels, and so on?

5. Are the costs of required supplies and materials purchased from the franchisor at market value, above market value, or below market value?

6. What degree of brand recognition do consumers have of the franchise? Does the franchisor have a national advertising program?

7. What reputation does the franchise have among consumers, and among current franchisees?

8. What are the level and quality of services provided by the franchisor to franchisees: site selection, training, bookkeeping, human relations, equipment maintenance, and troubleshooting?

9. What is the franchisor policy in terminating franchisees? What are the conditions of the franchise termination? What is the rate of franchise termination and nonrenewal?

*Franchise Directory

10. What is the length of the franchise agreement?

11. What is the failure rate of existing franchises?

12. What is the franchisor's policy with regard to company-owned and franchisee-owned franchises?

13. What policy does the franchisor have in allowing franchisees to sell their business.

14. What is the franchisor policy with regard to territorial protection for existing franchisees with regard to new franchisees and new company-owned establishments?

15. What is the earning potential of the franchise during the first year? The first five years?

The Business Resource Centre has developed a publication entitled "Manitoba Franchise Guide" which will be of assistance in pointing out some important advantages and disadvantages.

SECURITY

Unfortunately, employee dishonesty accounts for the major share of store losses. That dishonesty takes various forms: pilferage, unauthorized discounts, cash register shortages and the distribution of "free" merchandise to friends. Controlling employees and preventing such dishonesty begins in the hiring process. Investigate work histories and check references before hiring any prospective employee. Since a feeling of being part of a team can reduce the incidence of dishonesty, attempt to instill in the workers a sense of store loyalty.

Customer pilferage presents a further problem. Potential shoplifters can be deterred through the use of signs spelling out the consequences of being caught and mirrors which extend sales personnel's vision to all corners of the store. Small items should be kept near the checkout stand, and personnel should be alerted to the techniques and habits of shoplifters.

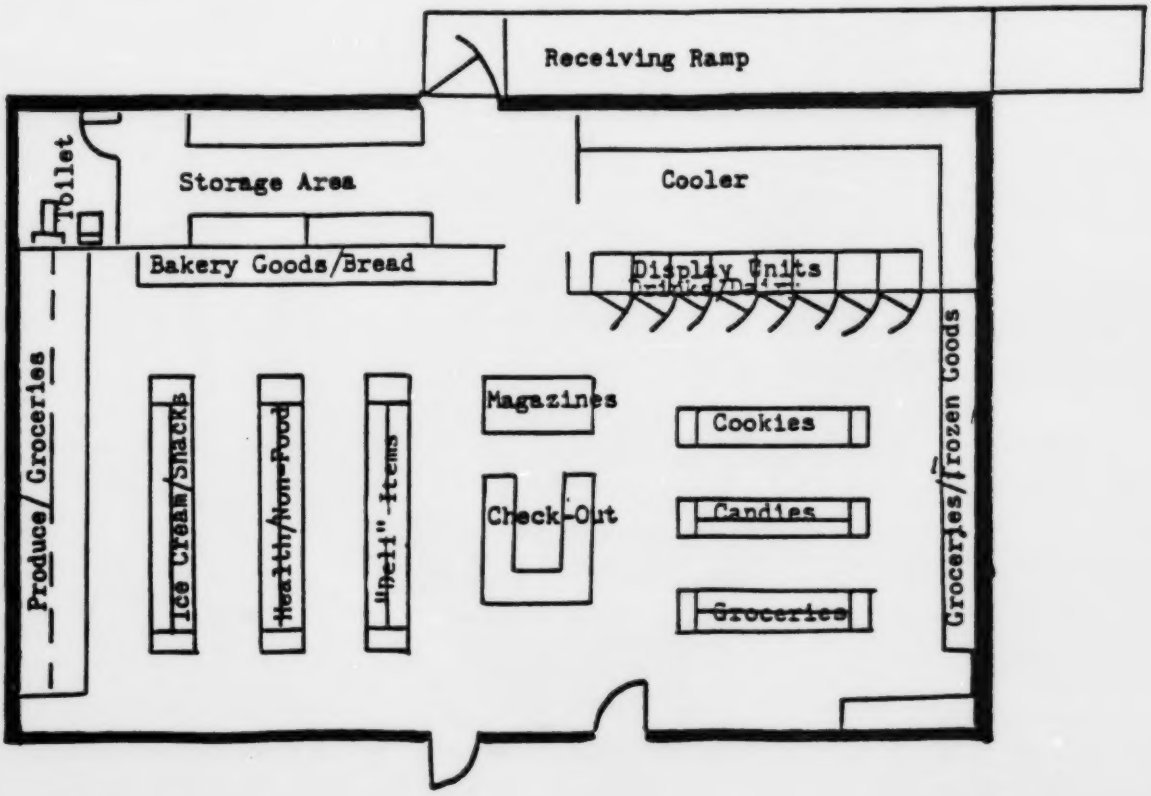
Finally, there is the threat of robbery. In Manitoba, such occurrences are rare, but the late hours of the convenience store make it a prime target for robbery. Night staff should have only a working minimum of cash, and day time receipts should be deposited daily. Employees should be instructed about what to do in the event of a robbery, including being schooled in the art of identification.

LAYOUT

The layout of the store is an important consideration. Plans for the layout should be developed during the initial planning stages, before equipment is ordered and installed. The layout should be kept simple in order to minimize costs. Modern lines of design and some creativity can pay off in increased sales.

Products should be placed where they are easy to see and reach. Products with the largest volume of sales should receive the most space, while the best shelf positions should be set aside for the largest profit makers. Statistics indicate that 70% of the items purchased in a convenience store are bought on impulse, so high demand products (bread and milk) should be placed at the rear of the store to increase traffic passing by other items.

Below is a typical convenience store layout.



INVENTORY SELECTION

In selecting inventory, it is necessary to estimate carefully the demand for the various products. Underestimating the demand can cause stockouts and lost sales. Customers may not continue to patronize a store if they encounter stockouts. Overestimating the demand will result in excess capital being tied up in inventory.

According to the Convenience Store Journal, the number of products carried usually ranges from 2,000 to 3,000. The exact mix of your product offering will depend on the needs of the market. Such needs must be assessed carefully. A typical breakdown is as follows:

Product Line	% Of Store Space
Tobacco	2%
Produce	3
Dairy	10
Ice Cream	4
Baked Goods	3
"Deli" Items	7
Groceries	26
Soft Drinks	12
Candy	3
Frozen Snacks	5
Cookies, Snacks	7
Meat	2
Health & Beauty Aids	4
Non-foods	5
Magazines	5
Other	2
	100%

Obviously the types of products that you offer for sale will depend largely on the market you serve. If you are the only grocery store in a resort area, you may offer a more complete line of goods than if you are in an urban area near a supermarket.

Remember that traffic can be increased by adding special products. You might, for example, install a gasoline pump. In fact, some oil companies are adding convenience stores to their selfserve gasoline stations. Other products that are offered by convenience stores include fast food (coffee,

sandwiches, soft drinks), rental of lawn mowers and rug cleaning equipment, and postal services.

Selection of suppliers is another related decision. If you own a franchise operation, your selection of suppliers may be restricted to company owned or approved suppliers. Otherwise, you have a number of alternatives. One is the general line wholesaler. Under this arrangement, independent store owners form a cooperative in order to gain the benefits of group buying. Approximately 25% of grocery stores belong to associations, according to Statistics Canada. Merchandising, management and financing advice are also offered by the cooperatives.

Another alternative is the specialty wholesaler. Included in this group are bakeries, dairies, and produce suppliers. The specialty wholesaler offers improved services and lower prices (vis-a-vis the general wholesaler). Assistance is given in the form of shelf stocking and estimating demand for items.

You should also be familiar with service merchandisers. They generally deal with non-food items (health and beauty aids, housewares, magazines). Such merchandisers deliver, stock the shelves, and price the items. They of course charge for their service, so you must trade-off the mark-up lost against the time you save, and the more accurate demand estimates provided.

INVENTORY CONTROL

Your objective with regard to inventory control is to minimize (a) lost sales and (b) inventory holding costs. The effectiveness of any inventory management system is highly contingent upon the records kept. Accurate records can provide a basis for developing demand estimates and thereby determining product mixes.

One means of monitoring inventory is to maintain perpetual inventory records. Cards are kept for each item in the store, detailing purchases, sales, and prices. Periodically one would physically count the items to verify these written records.

Inventory turnover ratio is a tool which can help with inventory management. The ratio is determined as follows:

$$\text{Inventory Ratio} = \frac{\text{Sales}}{\text{Retail Value of Average Inventory}}$$

$$\text{Average Inventory} = \frac{\text{Inventory Jan. 1} + \text{Inventory at Month End For Each Month}}{13}$$

For example, assume that the sales for a year are $500,000 with an average inventory of $25,000. Then the inventory turnover ratio would be ($500,000 divided by $25,000) = 20. In the grocery industry a ratio of 15.8 is considered average.[1] Should your average turnover figure be lower, your inventory is spending more time on the shelves than is desired. It may be an indication that you are not offering the proper product mix, or that the projected market simply does not exist. The ratio for convenience stores may be different but this is the closest comparison we have available.

FINANCIAL PLANNING

According to Dun and Bradstreet, the number of small business bankruptcies is increasing, largely because of poor financial planning. The following discussion should help you to systematically plan your short and long term capital needs. It should enable you to realize the need for any additional financing before a crisis arises.

A detailed outline of financial planning is contained in companion volumes in this series: "Small Business Finance Plan", "Retail Business Plan", and "Bookkeeping". The purpose of this section is to underscore the importance of sound financial planning, by summarizing the basics of the process.

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1. Source: Dun and Bradstreet Inc., 1989, Key Business Ratios

The steps of financial planning include:

1. determine the cost of the premises, equipment and fixtures;
2. estimate all operating expenses;
3. estimate working capital or cash flow requirements, and the sales volume needed to meet these requirements;
4. prepare projected statements: cash flow, profit and loss, and balance sheet;
5. consider return on investment and compare with an alternate business investment program;
6. consider the net personal income and balance this against your personal income needs.

FINANCIAL RECORDS

Decisions made are only as good as the information upon which they are based. Carefully kept records can provide sound information, for use in management and financial decision making.

It is not difficult to maintain a record-keeping system sufficient for the needs of most small businesses. The exact requirements vary, depending on the volume of business, the number of suppliers, credit policies, and so on. Some of the records might include:

1. Checkbook - you should have a bank account used exclusively for business purposes.
2. Cash Receipts Journal - used to record all payments made to the business and any other cash receipts.
3. Cash Disbursements Journal - used to record all disbursements made by the business. The payment may be for merchandise, wages, rent, utilities, or other such expenses. Payments should be made by cheque if possible in order to more effectively control cash.
4. Accounts Receivable Ledger - contains a record of all amounts owed by customers. You may operate strictly on a cash basis (as many convenience stores do), so you would not require this particular record.

5. Purchases Journal - used to record all purchases made on account.

6. Accounts Payable Ledger - contains a record of all amounts owed to suppliers. This is one record you probably will require.

7. Payroll Journal - to record pertinent data about employees and all wages paid to them.

The record system that you use has to provide information which is relevant to the decision-making that you must do. You must understand the financial planning process. You are required to maintain records for taxation purposes, but that should be a secondary consideration in establishing a records system.

PRICING

Proper pricing is an integral part of your planning. The prices charged must cover not only costs but some profit as well. In establishing a pricing policy, you should consider the costs, returns, the competitors, and the ability of your target market to pay. Items such as milk, bread and soft drinks are frequently purchased by consumers and consequently their prices are more closely scrutinized. Their prices must be competitive. The prices of and profits on "impulse" items can be higher, as price is not a determining factor in the purchase.

Obviously if the neighborhood competition consistently sells at lower prices, consumers will make an effort to patronize their store. You cannot hope to compete price-wise with nearby supermarkets and should not attempt to do so. They purchase larger volumes, and therefore, have lower costs. It is the convenience features of your store which give you a competitive edge on the supermarket.

The average income of customers will also influence the prices you are able to charge. In low income areas, customers will be inclined to purchase more staple goods. In a resort area, consumers will purchase other items as well.

Your retail price should allow sufficient gross profit (the difference between the price of your item and the cost of your item) to cover your overhead expenses (heat, light, taxes, insurance, etc.) and a reasonable net profit.

There are two methods to determine the difference between your selling price and your cost price. Both methods should lead to the same result. Method one, mark up, is based on your cost; and method two, margin, is based on your selling price. Examples showing an entrepreneur setting a $1.00 price for an item that costs $0.70 are presented below:

$$\text{METHOD 1 - MARK UP} = \frac{\text{Selling Price - Cost Price}}{\text{Cost Price}} = \frac{\$1.00 - \$0.70}{\$0.70} = 43\% \text{ MARK UP}$$

$$\text{METHOD 2 - MARGIN} = \frac{\text{Selling Price - Cost Price}}{\text{Selling Price}} = \frac{\$1.00 - \$0.70}{\$1.00} = 30\% \text{ MARGIN}$$

Although the methods above show different percentages, the amount of gross profit in each case is the same ($0.30). Traditionally, convenience stores have had mark ups of approximately 33-67% or margins of 25-40%.

The most important aspect is that you choose one method to calculate your price and that you understand how the parts of it are used.

SUMMARY

Planning will not ensure the success of your enterprise, but it certainly will improve your chances. Remember too, that if your analysis predicts that the business will not be profitable, then do not ignore that analysis and plunge ahead. Do not take starting the business as a foregone conclusion.

Financial planning in one part of your business plan, the elements of which bear repeating. The time you take before starting your business and then while it is underway, to plan and to monitor those plans, could be your most important investment. Failure to do so would be to start off down the highway without a road map, not knowing how to get where you want to go.

1. State your goals and objectives;

2. Determine the potential market for your products;

3. Evaluate the location (new or existing);

4. Decide on the store interior and exterior layout;

5. List sources of supply, terms, and inventory of requirements;

6. Provide for handling incoming merchandise (receiving, checking, marking, and the movement of goods);

7. Decide upon a general pricing policy and pricing strategy to be used to stimulate profitable sales volume;

8. Outline your promotional policies and strategies;

9. Develop management policies and practices for handling store personnel;

10. Conduct a complete financial analysis of the business:
    - determine capital cost expenditure,
    - determine operating costs,
    - develop financial information for sourcing of funds and control;

11. Establish an expense control system (accounting procedures).

If you would like to discuss your business plan or have problems and questions related to its preparation, feel free to call the Centre nearest you and arrange to meet with one of the counsellors.

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APPENDIX A

PRELIMINARY ESTIMATES

TABLE 16. Retail Trade, Chain and Independent Stores, by Kind of Business

Canada

January - 1988 - Janvier

No.	Kind of business - Genre de commerce	Chain stores - Magasins à succursales		Independent - Magasins indépendants		All stores - Ensemble des magasins	
		Sales - Ventes	Change 1988/1987 Variation	Sales - Ventes	Change 1988/1987 Variation	Sales - Ventes	Change 1988/1987 Variation
		$'000	%	$'000	%	$'000	%
1	Combination stores (groceries and meat)	1,468,070	+ 0.1	814,527	+ 6.5	2,282,597	+ 2.3
2	Grocery confectionery and sundries stores	178,722	+ 2.2	488,955	+ 14.9	667,677	+ 11.2
3	All other food stores	20,275	+ 20.2	208,883	+ 9.6	229,158	+ 10.5

Manitoba

December - 1987 - Décembre

1	Combination stores (groceries and meat)	x	x	x	x	117,923	+ 6.1
2	Grocery confectionery and sundries stores	x	x	x	x	22,155	+ 27.1
3	All other food stores	1,176	+ 18.7	5,151	+ 3.2	6,327	+ 5.8

Metropolitan Winnipeg

January - 1988 - Janvier

1	Combination stores (groceries and meat)	x	x	x	x	72,634	- 0.3
2	Grocery confectionery and sundries stores	x	x	x	x	12,991	+ 29.6
3	All other food stores	x	x	x	x	3,044	+ 1.8

APPENDIX B

TABLE 5. Summary and Selective Detailed Family Expenditure by City, Canada, 1986 - Continued

All Families and Unattached Individuals

		Prairie Provinces - Provinces des Prairies									
		Winnipeg		Regina		Saskatoon		Calgary		Edmonton		Other cities 30,000 + / Autres villes de 30,000 +	
	Family characteristics										
4000	Number of families in sample	411		283		314		383		352		311	
4001	Estimated number of families	223,920		65,650		68,860		227,790		244,880		109,050	
	Average:												
4010	Family size	2.58		2.56		2.37		2.61		2.65		2.59	
4020	Number of children under 5 years	0.21		0.18		0.17		0.19		0.21		0.17	
4021	Number of children 5 to 15 years	0.38		0.49		0.35		0.43		0.45		0.48	
4022	Number of adults 18 and 17 years	0.08		0.05		0.07		0.07		0.07		0.09	
4023	Number of adults 18 to 64 years	1.60		1.61		1.54		1.75		1.75		1.58	
4024	Number of adults 65 years & over	0.33		0.23		0.25		0.17		0.16		0.29	
4030	Number of women 14 years & over	1.08		1.02		1.06		1.08		1.10		1.07	
4031	Number of girls 4 to 13 years	0.18		0.23		0.19		0.18		0.19		0.23	
4032	Number of men 14 years & over	1.02		0.94		0.86		0.98		0.98		0.97	
4033	Number of boys 4 to 13 years	0.16		0.22		0.15		0.22		0.19		0.18	
4034	Number of infants under 4 years	0.15		0.15		0.12		0.15		0.19		0.15	
4040	Number of part-time earners	0.85		0.71		0.74		0.71		0.75		0.70	
4041	Number of full-time earners	0.78		0.76		0.62		0.86		0.83		0.73	
4051	Age of head	48		44		45		41		42		47	
4060	Income before tax	32,877		36,500		35,538		41,108		38,232		35,431	
4061	Other money receipts	1,142		886		994		1,782		890		1,005	
4062	Net change in assets & liabilities	1,241		2,433		2,730		2,777		887		2,037	
4063	Account balancing difference	224		-89		-166		-362		189		-473	
	Percentage:												
4080	Homeowner Dec. 31, 1986	57.2		63.5		47.7		55.4		55.0		67.0	
4081	Automobile or truck owners	76.5		87.3		74.3		86.7		85.0		90.8	
4090	With children under 5 years	16.0		15.6		14.6		18.0		18.4		14.5	
4091	With children 5 to 15 years	23.7		31.3		21.0		27.7		26.9		27.7	
4092	With adults 16 and 17 years	6.9		5.4		6.3		6.8		7.5		8.7	
4093	With adults 18 to 64 years	81.5		87.2		86.6		92.6		92.1		84.0	
4094	With adults 65 years & over	24.8		17.6		21.4		12.0		14.1		23.2	
4100	Married couple family	57.9		62.0		52.3		60.2		60.7		62.8	
4101	With wife employed full-time	16.9		19.3		11.1		21.0		21.5		19.6	
4102	With husband employed full-time	35.6		36.4		29.5		40.5		39.3		35.3	
	With age of head:												
4115	Under 35 years	31.0		39.0		40.8		41.9		41.5		31.0	
4116	35 to 44 years	16.9		19.4		15.8		24.5		21.8		20.3	
4117	45 to 64 years	30.0		24.5		23.5		23.6		24.3		27.3	
4118	65 years or older	22.1		17.2		19.8		10.0		12.4		21.3	
4120	With no full-time earner	40.4		38.1		49.4		33.0		36.8		45.2	
4121	With one full-time earner	42.7		47.8		39.3		49.2		44.4		37.4	
4122	With two or more full-time earners	16.9		14.1		11.3		17.8		18.8		17.3	
4131	With male head	64.5		73.0		60.4		65.6		65.6		69.7	
		Av. per fam. / Moy. par fam.	% rptg. / % décl.	Av. per fam. / Moy. par fam.	% rptg. / % décl.	Av. per fam. / Moy. par fam.	% rptg. / % décl.	Av. per fam / Moy. par fam	% rptg. / % décl.	Av. per fam / Moy. par fam	% rptg. / % décl.	Av. per fam. / Moy. par fam.	% rptg. / % décl.
1000-1572	**Food**	4747	100.0	4837	100.0	4159	100.0	5222	100.0	5170	100.0	4928	100.0
1000-1520	Food purchased from stores	3359	100.0	3341	100.0	2943	100.0	3591	100.0	3556	100.0	3380	100.0
1550-1572	Food purchased from restaurants etc.	1373	97.3	1252	98.1	1188	93.7	1630	97.8	1592	97.2	1180	95.1
2000-2131	**Shelter**	5596	99.5	5803	99.2	5486	99.7	7068	100.0	6347	100.0	5699	99.6
2000-2096	Principal accommodation	5327	99.5	5439	99.2	5080	99.7	6652	100.0	5976	100.0	5218	99.6
2000-2002	Rented living quarters	1865	44.7	1568	39.7	2061	56.4	2265	46.6	2264	47.2	1506	37.2
2000	Rent	1828	44.7	1524	38.7	2024	55.8	2230	46.6	2217	46.9	1470	36.8
2010-2090	Owned living quarters	2579	59.3	2820	64.4	2133	49.7	3168	56.7	2698	56.8	2683	68.3
2010-2049	Maintenance, repairs & replacements	410	43.8	342	49.6	290	38.1	279	40.1	301	38.7	355	51.8
2010-2029	Contract and labour cost	279	24.0	262	24.6	183	15.6	179	16.1	180	17.1	248	26.6
2030-2049	Materials	132	34.5	80	39.5	107	32.9	100	31.4	121	30.5	106	38.9
2071	Property taxes	780	59.1	830	64.4	561	49.1	611	56.2	556	54.6	690	68.0
2072	Homeowners insurance premiums	149	58.3	191	63.0	153	48.0	129	54.0	125	55.7	147	65.2
2073-2074	Mortgage interest	984	31.8	1257	38.5	1018	30.5	1913	39.7	1385	34.9	1226	36.7
2090-2096	Water, fuel and electricity	882	82.1	1051	92.4	887	86.5	1219	92.1	1013	87.5	1049	92.6
2090	Water	111	61.4	153	71.2	131	61.4	270	65.3	212	62.4	202	78.7
2091	Fuel oil and other liquid fuel												
2092	Piped gas	401	59.7	503	74.4	387	62.8	481	76.7	368	68.1	386	77.3
2096	Electricity	344	81.3	373	91.8	352	86.2	469	91.1	405	85.9	443	92.2
2100-2131	Other accommodation	270	49.2	383	59.2	395	53.4	416	55.0	371	55.7	481	56.3
2120-2123	Traveller accommodation	128	40.6	189	52.1	248	47.5	283	52.3	249	53.7	179	51.9

Source: Statistics Canada Catalogue #62-555

APPENDIX C

TABLE A. Analysis of Sales Per Selling Area by Kind of Business and Region, Ranked by Sales Per Square Foot of Selling Area - Cont'd

TABLEAU A. Analyse des ventes selon la superficie de vente d'après le genre de commerce et la région - Classement d'après les ventes par pied carré de superficie de vente - suite

Region, Quartiles and Weighted Averages / Région, Quartiles et moyennes pondérées	Sales - Ventes: Lower Quartile Values / Valeur minimum du quartile		Average Annual Sales / Ventes annuelles moyennes	Selling Area Average / Superficie moyenne de vente		Type of Store Location / Genre d'emplacement				
	Square Foot / Pieds carrés $	Square Metre / Mètres carrés $	$ 000'S	Square Foot / Pieds carrés	Square Metre / Mètres carrés	On Street / Sur rue %	Shopping Centre: Neighbourhood / de quartier %	Shopping Centre: Community / Communautaire %	Centre Commercial: Regional / Régional %	Centre Commercial: Indoor Mall / Mail intérieur %
	Grocery Stores, Less Than 15% Meat / Épiceries, moins de 15% de viandes									
Manitoba										
Top 25% Supérieur 25%	635	6.835	2.804	3.789	347	95	-	-	5	-
Upper Middle 25% Intermédiaire supérieur 25%	411	4.424	1.442	2.792	257	92	8	-	-	-
Lower Middle 25% Intermédiaire inférieur 25%	323	3.477	818	2.321	214	100	-	-	-	-
Bottom 25% Inférieur 25%			738	4.097	377	96	4	-	-	-
Average Moyenne			1.357	3.305	304	95	3	-	1	-

Appendix IV. Sample and store count by kind of business & region

Sample and store count by region / Nombre dans l'échantillon et nombre de magasins selon la région	Number in sample / Nbre dans l'échantillon	Number of independent stores / Nbre de magasins indépendants	Number in sample / Nombre dans l'échantillon: Manitoba	Saskatchewan	Alberta	British Columbia / Colombie-Britannique
	Canada					
Bakery products stores	53	664	3	-	5	7
Fruits and vegetable stores	25	322	-	-	-	9
Grocery stores, more than 15% meat	590	6.492	45	30	38	57
Grocery stores, less than 15% meat	350	2.333	27	25	24	21

See Appendix IV for sample counts. Voir l'annexe IV pour les chiffres de l'échantillon

SOURCE: Retail Selling Area Survey, Small Business Statistics, Statistics Canada
SOURCE: Enquête sur la superficie de vente au détail, Statistiques sur les petites entreprises, Statistique Canada

Catalogue #61-522

REFERENCES

Associations

The Federation of Retail Grocers
Box 336
Peterborough, Ontario
K9J 6Z3

National Association of Convenience Stores Inc.
Suite 311
5205 Leesburg Pike
Falls Church, VA 22041

Trade Journals

Food in Canada ($33.00 per year)
MacLean Hunter
Box 9100, Postal Station A
Toronto, Ontario
M5W 1V5 396-5964

Canadian Grocer ($32.00 per year)
Box 9100
Postal Station A
Toronto, Ontario
M5W 1V5 596-5978

Progressive Grocer
708 - 3rd Avenue
New York, NY 10017

Wholesalers

Blue Book of Food Store Operators and Wholesalers published by Sanford Evans Communications Ltd.

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Winnipeg, Manitoba
R3C 3B1
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MANITOBA

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Martin Robert Agency Inc.
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Paul Johnson, secretary
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Mid-Can Food Brokers Ltd.
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Winnipeg, R3H 0J8
Ron Gillespie
(204)632-4473

Mid-Way Brokers (1986) Ltd.
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Winnipeg, R2W 5L3
Doug Graham, Gord Graham
(204)586-9694
FAX (204)586-9696

CANADA GROCER, February, 1989

Frank Moreau Brokerage Ltd.
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202 - 1450 Mountain Avenue
Winnipeg, R2X 2Y8
Frank Moreau
(204)633-4775

Northdale Enterprises Ltd.
109 Hutchings Street
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Bruce McLean, president
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FAX (204)633-9531

M-75 Perco Sales
101 Hutchings Street
Winnipeg, R2X 2V4
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K.J. Preiswerck (Preisco Foods)
1700 Inkster Blvd.
Winnipeg, R3C 2S8
Keith Huntley
(204)633-6510

Richardson & Ward Ltd.
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David George, president
Ken Roulston, managing partner
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FAX (204)942-8076

Seven Cities Food Brokers Ltd.
101 Hutchings St.
Winnipeg, R2X 2V4
Jim Rose, president
Ludy Jarco, vice-president &
general manager
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FAX (204)694-0564

Tees & Persse Brokerage Ltd.
101 Hutchings St., P.O. Box 1169
Winnipeg, R3C 2Y4
W. Patterson, president &
general manager
D. A. Hill, regional manager
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FAX (204)633-3480

Westrade Sales Ltd.
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R. J. Blowers, president
(204)775-8436
FAX (204)783-5938

Westwind Brokers
178 Wyatt Rd.
Winnipeg, R2X 2X6
Robert Solylo, president
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FAX (204)632-9027

NON CFBA
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Winnipeg, R3J 0H4
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St. Germain Food Products Ltd.
522 Dominion St.
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Raphael Greban de St. Germain
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FAX (204)774-0384

Superior Food Importers Ltd.
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Head Office Toronto

APPENDIX E (i)

TABLE 1. Selected operating ratios, in percent of sales, 1987

Manitoba, Food (Groceries) Stores (SIC 6011)

	Total (1)	Bottom 25%	Lower middle 25%	Upper middle 25%	Top 25%
Businesses in sample No.	49				
Low sales value $000's	[illegible]	--	--	--	--
High sales value $000's	[illegible]	--	--	--	--

Selected expense item	Industry average(2)					% businesses reporting	Reporting businesses only (3)				
	Total	Bottom 25%	Lower middle 25%	Upper middle 25%	Top 25%		Total	Bottom 25%	Lower middle 25%	Upper middle 25%	Top 25%
	Percent of sales						Percent of sales				
Cost of sales	85.5	--	--	--	--	94.3	89.4	--	--	--	--
Occupancy expenses	4.2	--	--	--	--	100.0	4.2	--	--	--	--
Depreciation	1.1	--	--	--	--	83.2	1.3	--	--	--	--
Repairs & maintenance	0.6	--	--	--	--	94.3	0.6	--	--	--	--
Heat, light & telephone	1.2	--	--	--	--	100.0	1.2	--	--	--	--
Rent	1.2	--	--	--	--	55.2	2.2	--	--	--	--
Personnel expenses	8.6	--	--	--	--	97.8	8.8	--	--	--	--
Financial expenses	1.2	--	--	--	--	98.2	1.2	--	--	--	--
Interest & bank charges	0.8	--	--	--	--	77.7	1.1	--	--	--	--
Professional fees	0.4	--	--	--	--	95.2	0.4	--	--	--	--
Other expenses	17.9	--	--	--	--	100.0	17.9	--	--	--	--
Profit (loss)	2.7	--	--	--	--	97.8	2.8	--	--	--	--
Total	100.0	--	--	--	--	100.0	...	--	--	--	--

Symbols
- \- zero or no observations
- -- too small too be expressed
- ... not applicable
- x confidential

Footnotes
(1) These estimates are based on a sample of businesses reporting sales between $25,000 and $2,000,000.

(2) Value in each cell = $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of all businesses in the sample}} \times 100$ for each quartile.

(3) Value in each cell = $\frac{\text{Total weighted expenditure on a given item}}{\text{Total weighted sales of businesses reporting this item of expenditure}} \times 100$ for each quartile.

This portion of the table pertains only to the businesses reporting the specific expense item. Therefore these ratios are calculated individually and the total will not necessarily equal 100%.

Notes
Data are shown by quartiles when at least 13 of the sampled businesses report the specific item.

Records were ranked in ascending order according to sales size. Each quartile (i.e. bottom 25%, lower middle 25%, etc.) represents one quarter of the total number of businesses. Within each quartile, the average ratio is presented. For comparison purposes, the high and low values of sales are shown.

How to use the tables
(1) Locate the appropriate sales range that is displayed on the two lines entitled "Low sales value" and "High sales value".
(2) The selected range will indicate the proper quartile, i.e. the bottom 25%, the lower middle 25%, the upper middle 25% or the top 25%.
(3) Data pertaining to the selected sales size range will be in that quartile.

Standard Industrial Classification Definition (SIC 1980):

SIC 6011 - Food (Groceries) Stores
Businesses primarily engaged in retailing a general line of groceries such as canned and/or frozen foods, prepared meats, fresh fruit and vegetables, desserts and staples such as tea, coffee, spices, sugar and flour. Fresh meats and poultry may be included. In addition, limited lines of newspapers, magazines, paper products, soft drinks, beer and wine, tobacco products, health and beauty aids, housewares, flowers, plants and other non-food articles may be sold. These businesses include chain grocery stores, convenience food (groceries) stores, corner grocery stores, food (groceries) stores, retail general foods, retail groceries and supermarkets.

SOURCE: Small Business and Special Surveys Division, Statistics Canada.

TABLE 2. Balance sheet profile for incorporated businesses only, 1987

Manitoba, Food (Groceries) Stores (SIC 6011)

	Total(1)	Bottom 25%	Lower middle 25%	Upper middle 25%	Top 25%
Businesses in sample (No.)	34				
Low sales value ($000's)	(1)	--	--	--	--
High sales value ($000's)	(1)	--	--	--	--
		Average ($000's)			
Assets					
Cash	-	--	--	--	--
Accounts and notes receivable	19	--	--	--	--
Inventory	-	--	--	--	--
Other current assets	100	--	--	--	--
Total current assets	118	--	--	--	--
Fixed assets	93	--	--	--	--
Less: Accum. dep. on fixed assets	-	--	--	--	--
Other assets	45	--	--	--	--
Total assets	**256**	--	--	--	--
Liabilities and equity					
Current loans	17	--	--	--	--
Other current liabilities	59	--	--	--	--
Total current liabilities	76	--	--	--	--
Mortgages payable	-	--	--	--	--
Long term debt	15	--	--	--	--
Other liabilities	54	--	--	--	--
Total liabilities	**184**	--	--	--	--
Total equity	**72**	--	--	--	--

(1) These estimates are based on a sample of businesses reporting sales between $25,000 and $2,000,000.

See Table 1 for symbols and notes.

TABLE 3. Financial ratios(1) for incorporated businesses only, 1987

Manitoba, Food (Groceries) Stores (SIC 6011)

	Total(2)	Bottom 25%	Lower middle 25%	Upper middle 25%	Top 25%
Businesses in sample (No.)	34				
Low sales value ($000's)	(1)	--	--	--	--
High sales value ($000's)	(1)	--	--	--	--
		Average			
Liquidity ratio					
Current ratio (times)	1.6	--	--	--	--
Leverage ratios					
Debt/equity ratio (times)	2.6	--	--	--	--
Interest coverage ratio (times)	2.5	--	--	--	--
Debt ratio (times)	0.7	--	--	--	--

(1) The ratios represent the average of ratios for each business in the group and cannot be calculated from the figures shown in Table 2.

(2) These estimates are based on a sample of businesses reporting sales between $25,000 and $2,000,000.

See Table 1 for symbols and notes.

Definitions:

1. Liquidity ratio:

   Current = current assets / current liabilities.

2. Leverage ratios:

   a) Debt/equity = total liabilities / equity.
   b) Debt ratio = total liabilities / total assets.
   c) Interest coverage = net profit + interest expense / interest expense.

SOURCE: Small Business and Special Surveys Division, Statistics Canada.

APPENDIX E (iii)

TABLE 4. Statement of changes in financial position for incorporated businesses only, 1987

Manitoba, Food (Groceries) Stores (SIC 6011)

	Total(1)	Bottom 25%	Lower middle 25%	Upper middle 25%	Top 25%
Businesses in sample (No.)	18				
Low sales value ($000's)	41	--	--	--	--
High sales value ($000's)	41	--	--	--	--
			Average ($000's)		
Operating activities					
Cash from operations	9	--	--	--	--
Depreciation	11	--	--	--	--
Other	-16	--	--	--	--
Dividends	-2	--	--	--	--
Investment activities					
Disposal of fixed assets	1	--	--	--	--
Purchase of fixed assets	-10	--	--	--	--
Increase in investment	-1	--	--	--	--
Decrease in investment	2	--	--	--	--
Financing activities					
Increase in long term debt	9	--	--	--	--
Repayment of long term debt	-12	--	--	--	--
Loans from shareholders	13	--	--	--	--
Repayment of loans from shareholders	-4	--	--	--	--
Advances & loans from government	-	--	--	--	--
Increase in equity	-	--	--	--	--
Decrease in equity	-	--	--	--	--
Other	-	--	--	--	--
Increase(decrease) in cash & equivalents	-1	--	--	--	--
Cash & equivalents-Beginning of the year	-7	--	--	--	--
Cash & equivalents - End of the year	-7	--	--	--	--

(1) These estimates are based on a sample of incorporated businesses reporting sales between $25,000 and $2,000,000. Sample count includes only those businesses reporting a statement of changes.
See Table 1 for symbols and notes.

TABLE 5. Employment changes by size of business, 1984-1987 based on SIC classification in 1987

Manitoba, Food (Groceries) Stores (SIC 6011)

Business size expressed in average labour units(1)	Number of businesses	Total payroll ($000's)	Average labour units(1)	Changes in number of businesses with paid employees: Newly reporting(2)	Changes in number of businesses with paid employees: No longer reporting(3)
1984					
Total	143	116,825	8,276	21	11
less than 20	114	9,165	854	19	10
20 - 99	20	8,907	630	1	-
100 - 499	2	X	212	1	1
500 and over	7	X	6,780	-	-
1987					
Total	180	155,378	10,980	34	...
less than 20	128	9,800	882	33	...
20 - 99	25	12,258	873	1	...
100 - 499	3	6,209	436	-	...
500 and over	4	127,111	8,969	-	...

(1) Average labour units are calculated by dividing total payroll by the average annual wage and salary rate as reported in the Survey of Employment, Payroll and Hours, Statistics Canada, Catalogue 72-002. An average labour unit could be interpreted as a full-time employee. Note that the business size groups used are determined at the Canada level. Thus if a business has at least 500 employees in Canada as a whole but less than that number in any given province it is shown in the 500 and over group.
(2) Refers to businesses reporting no payroll deductions in the previous year.
(3) Refers to businesses reporting no payroll deductions in the following year.

"Newly reporting" and "no longer reporting" businesses are assumed to have been in activity for six months and the information is adjusted accordingly.

See Table 1 for symbols and notes.

SOURCE: Small Business and Special Surveys Division, Statistics Canada.

TABLE 6. Selected operating characteristics of small businesses by sales quartile, 1985-1987

Manitoba, Food (Groceries) Stores (SIC 6011)

	Total(1)	Bottom 25%	Lower middle 25%	Upper middle 25%	Top 25%
			1985		
Number of observations in sample	280				
Average sales $	422.607	64.338	195.798	408.793	1.020.800
Average expense $	412.333	65.632	187.932	400.033	995.333
Average net profit (loss) $	10.274	-1.294	7.864	8.760	24.567
Businesses reporting a profit (No.)	228				
Average sales $	435.392	70.797	201.708	422.313	1.046.749
Average expense $	418.731	67.062	190.958	407.358	1.009.545
Average net profit $	16.661	3.735	10.750	14.955	37.204
Businesses reporting a loss (No.)	52				
Average sales $	385.258	58.875	172.452	377.058	932.850
Average expense $	392.684	64.422	175.491	380.877	949.944
Average net loss $	-7.426	-5.547	-3.039	-3.821	-17.294
			1986		
Number of observations in sample	354				
Average sales $	368.524	66.280	158.721	327.119	921.994
Average expense $	365.070	70.010	155.373	317.662	917.233
Average net profit (loss) $	3.454	-3.750	3.348	9.457	4.761
Businesses reporting a profit (No.)	281				
Average sales $	350.738	61.170	182.256	337.549	841.876
Average expense $	338.063	55.927	151.429	319.757	825.137
Average net profit $	12.675	5.243	10.827	17.792	16.839
Businesses reporting a loss (No.)	73				
Average sales $	407.974	89.636	152.995	308.056	1.101.210
Average expense $	419.810	79.351	161.762	313.834	1.123.494
Average net loss $	-11.838	-9.715	-8.767	-5.778	-22.284
			1987		
Number of observations in sample	87				
Average sales $	756.457	210.285	591.633	817.867	1.406.284
Average expense $	744.812	203.134	574.580	813.044	1.388.491
Average net profit (loss) $	11.645	7.131	17.053	4.823	17.773
Businesses reporting a profit (No.)	45				
Average sales $	756.888	199.089	588.767	823.611	1.416.105
Average expense $	733.683	176.801	569.341	806.034	1.382.554
Average net profit $	23.205	22.288	19.426	17.577	33.551
Businesses reporting a loss (No.)	21				
Average sales $	758.394	222.384	617.502	807.902	1.385.188
Average expense $	770.169	233.045	621.885	824.559	1.401.206
Average net loss $	-11.775	-10.061	-4.383	-16.857	-16.020

(1) These estimates are based on a sample of businesses reporting sales between $25,000 and $2,000,000.

See Table 1 for symbols and notes

SOURCE: Small Business and Special Surveys Division, Statistics Canada.

APPENDIX F (i)

CANADIAN IMPORTS BY COMMODITY CATEGORY

	September		Jan. to Sept.		Percentage Change Jan. to Sept.
	1987	1988	1987	1988	1988/1987
	Thousands of dollars				
Live animals	16,079	6,279	116,438	92,392	−20.6
Food, feed, beverages and tobacco	541,287	585,020	4,854,042	5,170,479	6.5
Meat and fish	122,807	118,148	919,727	966,407	5.0
Meat, fresh, chilled or frozen	54,733	42,038	378,621	433,593	14.5
Other meat and meat preparations	4,819	3,274	35,131	26,380	−24.9
Fish and marine animals	63,254	72,833	505,974	506,433	0.0
Fruits and vegetables	159,822	189,980	1,853,487	1,970,942	6.3
Bananas and plantains, fresh	12,112	12,055	113,060	114,312	1.1
Grapes, fresh	20,931	29,166	124,216	154,213	24.1
Oranges, mandarines, tangerines, fresh	7,120	7,421	111,829	112,114	0.2
Other fresh fruits and berries	28,773	33,894	386,074	408,169	5.7
Fruits, dried or dehydrated	9,070	7,862	56,771	54,807	−3.4
Orange juice and concentrates	12,603	18,403	116,178	139,938	20.4
Other fruit juices and concentrates	9,702	12,008	81,856	78,912	−3.5
Fruits and products, canned	8,929	6,740	76,648	66,785	−12.8
Other fruits and fruit preparations	4,477	7,691	44,650	65,753	47.2
Nuts, except oil nuts	11,491	12,453	99,672	93,347	−6.3
Tomatoes fresh	4,716	6,864	77,839	84,747	8.8
Other fresh vegetables	14,545	16,386	423,193	426,910	0.8
Other vegetables & vegetable prep.	15,346	19,030	141,494	170,930	20.8
Other food, feed, beverages and tobacco	258,657	276,893	2,080,827	2,233,130	7.3
Dairy produce, eggs and honey	12,317	14,497	111,857	113,383	1.3
Corn (maize), shelled	6,834	16,551	39,154	54,038	37.9
Other cereals & cereal preparations	22,817	25,914	187,255	216,107	15.4
Raw sugar	14,118	15,289	121,919	159,572	30.8
Refined sugar, molasses and syrups	9,648	9,089	65,817	73,694	11.9
Sugar preparations & confectionery	22,306	25,512	138,477	141,555	2.2
Cocoa and chocolate	14,485	12,280	126,479	112,557	−11.1
Coffee	35,712	34,039	340,446	327,473	−3.8
Tea	6,942	6,851	54,239	58,937	8.6
Other foods and materials for foods	32,049	30,412	295,482	289,810	−1.9
Oil seed cake and meal	14,853	16,589	123,112	168,296	36.7
Other fodder and feed	13,137	19,216	102,836	153,945	49.5
Distilled alcoholic beverages	18,669	16,401	115,691	105,899	−8.4
Other beverages	30,911	32,475	236,782	235,412	−0.5
Tobacco	3,852	1,772	20,893	22,445	7.4

Source: Statistics Canada 65-001

APPENDIX F (ii)

CANADIAN FOOD STORE SALES, 1988 ($000's)

Canadian Grocer estimates based on first nine-month figures for grocery and combination stores, and Canadian Grocer's 1988 Survey of Chains and Groups.

	CHAINS		INDEPENDENTS			
	Super-markets	Conven-lence	Voluntary Groups	Unaffi-liated	TOTAL INDEP.	TOTAL STORES
ATLANTIC PROVINCES						
No. of stores	128	643	550	4,033	4,583	5,354
Dollar sales	$1,824,418		$679,681	$717,137	$1,396,818	$3,221,238
% of total	56.6%		21.1%	22.3%	43.4%	100%
QUEBEC						
No. of stores	188	1,280	3,343	7,121	10,464	11,932
Dollar sales	$2,827,520		$5,178,228	$1,666,314	$6,844,542	$9,672,062
% of total	29.2%		53.6%	17.2%	70.8%	100%
ONTARIO						
No. of stores	654	1,915	1,402	5,350	6,752	9,321
Dollar sales	$8,511,722		$3,119,450	$1,245,966	$4,365,416	$12,877,138
% of total	66.1%		24.2%	9.7%	33.9%	100%
MANITOBA						
No. of stores	52	103	584	506	1,090	1,245
Dollar sales	$1,045,409		$384,272	$111,261	$495,533	$1,540,942
% of total	67.8%		25.0%	7.2%	32.2%	100%
SASKATCHEWAN						
No. of stores	51	90	364	683	1,047	1,188
Dollar sales	$720,338		$326,508	$129,766	$456,274	$1,176,612
% of total	61.2%		27.8%	11.0%	38.8%	100%
ALBERTA						
No. of stores	118	476	890	686	1,576	2,170
Dollar sales	$2,350,597		$671,950	$87,714	$759,664	$3,110,261
% of total	75.6%		21.6%	2.8%	24.4%	100%
BRITISH COLUMBIA (1)						
No. of stores	184	288	875	1,598	2,473	2,945
Dollar sales	$2,904,297		$1,170,921	$589,806	$1,760,727	$4,665,024
% of total	62.3%		25.1%	12.6%	37.7%	100%
CANADA						
No. of stores	1337,	4,795	8,008	19,977	27,985	34,155
Dollar sales	$20,184,301		$11,531,010	$4,547,964	$16,078,974	$36,263,275
% of total	55.7%		31.8%	12.5%	44.3%	100%

(1) Includes Yukon and Northwest Territories.

EXPLANATIONS

Chain Stores: Four or more stores under single ownership. Sales figures are from Statistics Canada, and include convenience chain stores. Store numbers from Canadian Grocer's 1988 August survey, and later information supplied.

Voluntary Groups: Independents operating in major or secondary wholesale-sponsored group programs. Store numbers from Canadian Grocer's 1988 August survey. Sales and market share data estimated by Canadian Grocer.

Not Included: Food sales through department stores or specialty stores (bakeries, butchers, etc.)

MANITOBA

4.25% of Canadian Market

Trend of sales

	Grocery & Combination Store Sales
1978	$625,477,000
1979	697,818,000
1980	771,203,000
1981	870,080,000
1982	951,815,000
1983	977,589,000
1984	1,112,932,000
1985	1,291,682,000
1986	1,377,117,000
1987	1,453,431,000
1988 (est.)	1,540,942,000
Increase 1988/1987	+6.0%
Share of Canadian Total	4.25%

Distribution of sales

		TOTAL INDEPENDENTS	
	Chains' Share	Group Indep.	Unaffil. Indep.
1978	65.3	26.8	7.9%
1979	66.2	24.6	7.2
1980	67.4	25.2	7.4
1981	67.3	25.3	7.4
1982	70.0	23.2	6.8
1983	73.2	20.7	6.1
1984	71.3	22.2	6.5
1985	66.4	26.0	7.6
1986	67.2	24.0	8.8
1987	67.5	25.2	7.3
1988 (est.)	67.8	25.0	7.2

Food stores, 1988

Total stores	1,245
Chain supermarket stores	52
Chain convenience stores	103
Voluntary group stores	584
Unaffiliated stores	506

Market analysis

Population, June 1, 1988	1,084,700
Increase 1988/1986	+1.3%
Food store sales, 1988 ($000's)	1,540,942

PER CAPITA PERSONAL DISPOSABLE INCOME

1978	$6,448
1979	7,062
1980	7,702
1981	9,329
1982	10,225
1983	10,600
1984	11,747
1985	12,574
1986	13,089
1987	13,816
1988 (est.)	14,474

PER CAPITA FOOD STORE SALES

1978	$606.32
1979	677.76
1980	751.95
1981	847.87
1982	920.07
1983	934.33
1984	1,040.51
1985	1,207.63
1986	1,285.55
1987	1,347.52
1988 (est.)	1,420.62

POPULATION BY AGE GROUPS (June 1, 1988) —Statistics Canada

		% of Total	% change 1988/1986
Under 5	82,900	7.6	+2.7
5-9	78,600	7.2	+0.6
10-14	78,700	7.3	−2.1
15-19	83,000	7.7	−0.6
20-24	88,500	8.2	−7.1
25-29	96,700	8.9	+2.1
30-34	90,700	8.4	+3.5
35-39	80,300	7.4	+2.0
40-44	68,800	6.3	+12.6
45-49	53,700	5.0	+5.7
50-54	47,400	4.4	−1.7
55-59	47,700	4.4	−1.9
60-64	47,900	4.4	−3.2
65-69	44,800	4.1	+5.2
70+	95,200	8.8	+4.0

POPULATION FORECAST

1989	1,093,900
1993	1,118,000

Cities of 10,000 plus

***Census agglomeration**—statistical area having an urban centre of over 1,000 population, with adjacent built-up area of at least 1,000 population and minimum density of 1,000 persons per square mile.
****Census metropolitan area**—main labor market of continuous built-up area, having a population of 100,000 or more.

BRANDON

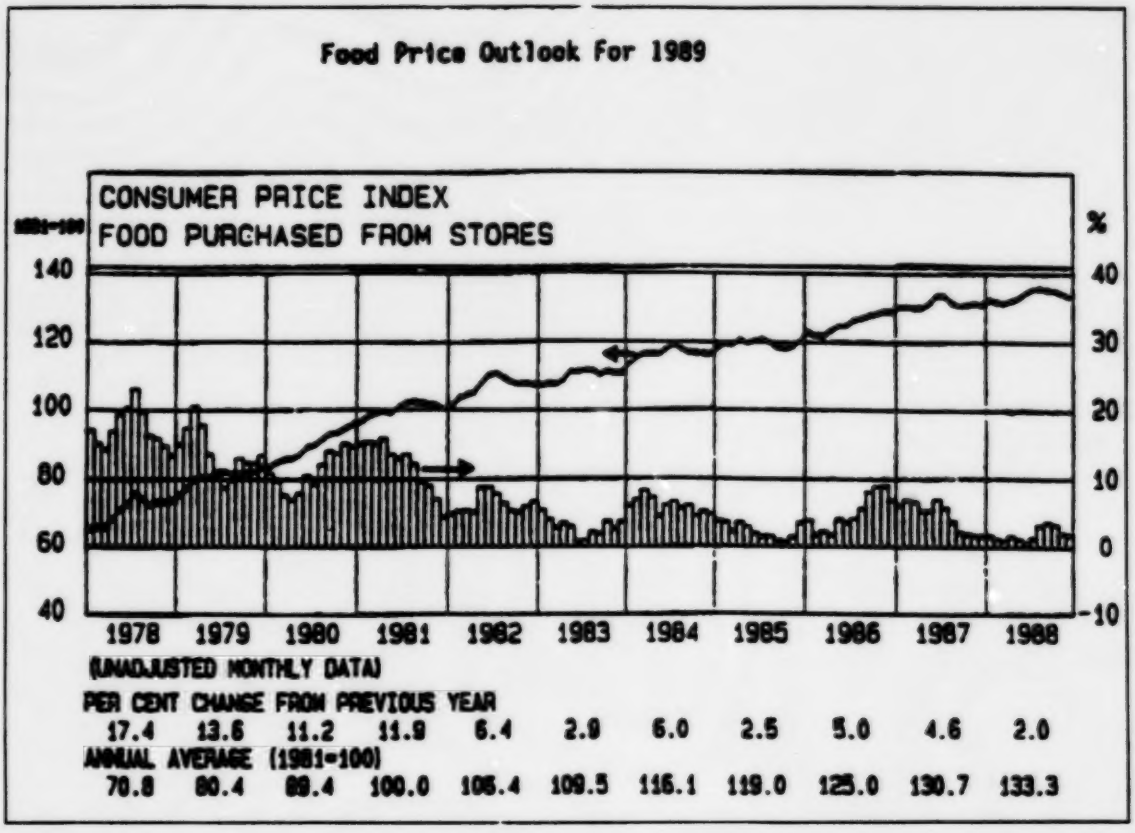
Population (June/88 est.)	39,700
% Change 1988/86	+2.6
No. of households	15,328
Food store sales	$42,885,900
% of provincial total	2.8
Pop. forecast, 1993	42,100

PORTAGE LA PRAIRIE*

Population (June/88 est.)	13,200
% Change 1988/86	—
No. of households	4,871
Food store sales	$14,259,300
% of provincial total	0.9
Pop. forecast, 1993	13,300

SELKIRK

Population (June/88 est.)	10,000
% Change 1988/86	—
No. of households	3,390
Food store sales	$10,802,500
% of provincial total	0.7
Pop. forecast, 1993	10,100



Ten-year food store sales trend

	TOTAL SALES		CHAINS		INDEPENDENTS*	
	($000's)	% change	($000's)	% of total	($000's)	% of total
1977	14,370,831	9.2	8,638,659	60.1	5,732,172	39.9
1978	16,253,199	13.1	9,791,601	60.2	6,461,598	39.8
1979	18,191,659	11.9	10,996,132	60.4	7,195,527	39.6
1980	20,204,077	11.1	12,042,821	59.6	8,161,256	40.4
1981	22,858,287	13.1	13,594,184	59.5	9,264,103	40.5
1982	24,844,520	8.7	14,580,141	58.7	10,264,379	41.3
1983	26,237,079	5.6	15,119,457	57.6	11,117,622	42.4
1984	28,044,489	6.9	16,125,681	57.5	11,918,808	42.5
1985	29,931,491	6.7	17,194,743	57.4	12,736,748	42.6
1986	32,027,784	7.0	18,294,161	57.1	13,733,623	42.9
1987	34,485,958	7.6	19,412,964	56.3	15,052,994	43.7
1988**	36,263,275	5.2	20,184,301	55.7	16,078,974	44.3
1989 (forecast)	38,185,200	5.3	21,231,000	55.6	16,954,200	44.4

*Includes voluntary groups and unaffiliated independents.

**Maclean Hunter Research Bureau estimates, based on first nine-month data.